

Message Text

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ACTION ARA-10

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E.O. 11652: N/A

TAGS: TECH. PARM, AR

SUBJECT: ARGENTINE NUCLEAR POLICY - STATEMENT OF CNEA PRESIDENT
CASTRO MADERO

1. SUMMARY: IN RECENT JOURNAL ARTICLE, CASTRO MADERO DESCRIBES
CNEA PLANS, INCLUDING CONSTRUCTION OF TWO HEAVY WATER PRODUCTION
PLANTS, PLUS INITIATION OF WORK ON REPROCESSING, LOOKING TOWARD
ULTIMATE NEED TO REPROCESS POWER REACTOR FUEL. GIVEN ARGENTINA
COULD BECOME URANIUM EXPORTER, CASTRO MADERO STATES AN INTEREST IN
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URANIUM ENRICHMENT (PRIMARILY FOR EXPORT) AND FLOATS IDEA OF A
MULTI-NATIONAL LATIN AMERICAN ENRICHMENT PLANT.

2. RECENTLY DISTRIBUTED SEPT/OCT 1976 ISSUE OF "ESTRATEGIA"
(STRATEGY) JOURNAL CONTAINS NUMBER OF ARTICLES ON NUCLEAR THEME,
AMONG THEM ONE ON ARGENTINE NUCLEAR POLICY BY CASTRO MADERO. WHILE
APPARENTLY WRITTEN BEFORE (A) CANADA ANNOUNCED ITS NEW NUCLEAR

EXPORT POLICY, AND (B) WELL-PUBLICIZED U.S. PRESSURE DEVELOPED AGAINST PORTIONS OF BRAZIL - GERMANY NUCLEAR AGREEMENT, ARTICLE STATES CNEA INTENTIONS IN VARIOUS AREAS OF INTEREST. TRANSLATION OF COMPLETE TEXT FOLLOWS BY AIRGRAM.

3. URANIUM RESOURCES. ASSURED RESERVES TOTAL 24,000 TONS, CAPABLE OF FUELING SIX 600 MW CANDU UNITS FOR THIRTY YEARS. ADDITIONAL PROBABLE RESERVES OF 125,000 TONS OPEN THE POSSIBILITY FOR ARGENTINA TO BECOME A URANIUM EXPORTER.

4. NUCLEAR POWER. NEED FOR 15,000 MW OF INSTALLED NUCLEAR CAPACITY BY YEAR 2000 IS FORESEEN. CASTRO MADERO SUGGESTS THIS BE COMPOSED OF ATUCHA 1 AND FIVE 600 MW CANDUS TO BE OPERATIONAL BY 1990, WITH 12,000 MW MORE INSTALLED AFTER 1990.

5. NATIONAL CONTRIBUTION. ARTICLE THROUGHOUT STRESSES DESIRABILITY OF CONTINUED INCREASE IN ROLE OF NATIONAL INDUSTRY IN ALL ASPECTS OF NUCLEAR PROGRAM.

6. HEAVY WATER. CONSTRUCTION OF TWO 400 TON/YR HEAVY WATER PRODUCTION PLANTS IS JUSTIFIED BY FACT THAT EACH PLANT WILL COST ONLY \$350 MILLION, WHEREAS TO IMPORT ARGENTINA'S NEEDED HEAVY WATER THROUGH 2000 WOULD COST \$1.7 BILLION. PILOT PLANT IS INTENDED TO (A) TRAIN PERSONNEL IN CONSTRUCTION AND OPERATION; (B) PROVIDE DESIGN PARAMETERS FOR INDUSTRIAL PLANT; (C) PROMOTE PROVISION OF COMPONENTS BY ARGENTINE INDUSTRY.

7. REPROCESSING. WHILE ACKNOWLEDGING NO IMMEDIATE NEED FOR REPROCESSING OF FUEL FROM CANDU REACTORS, CASTRO MADERO NOTES THAT, LIMITED OFFICIAL USE

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IN YEAR 2000, IRRADIATED FUEL WILL CONTAIN PLUTONIUM WHICH WILL HAVE ENERGY POTENTIAL EQUIVALENT TO ALL ARGENTINE FOSSIL AND URANIFEROUS MINERAL RESERVES "AND WILL, SURELY, NEED TO BE REPROCESSED". THEREFORE, ARGENTINE WILL BEGIN TO "IMPLEMENT THE INFRASTRUCTURE SUFFICIENTLY IN THIS FIELD, SO AS TO ACQUIRE THE TECHNOLOGY WHICH WILL PROVIDE US THE COVETED CAPACITY FOR DECISION ABOUT THE AVAILABILITY OF THIS FUEL WHEN THE NECESSITIES SO REQUIRE".

8. URANIUM ENRICHMENT. WHILE NOT NEEDED FOR CANDU REACTORS, ADVANCES IN TECHNOLOGY MUST NOT BE IGNORED. POSSIBLE EXPORT OF ENRICHED URANIUM RATHER THAN JUST RAW MATERIAL COULD HAVE ECONOMIC BENEFITS FOR ARGENTINA. "A WISE POLICY WOULD BE TO PROPOSE TO ESTABLISH, WHEN IT WAS TECHNICALLY AND ECONOMICALLY FEASIBLE, A 'MULTI-REGIONAL' ENRICHMENT PLANT IN LATIN AMERICA. IN THIS WAY, IT WOULD BE POSSIBLE TO REDUCE TO ACCESSIBLE LEVELS THE LARGE COSTS OF INVESTMENT AND OPERATION WHICH THESE PLANTS REQUIRE. AT THE SAME TIME, THE NUMBER OF PRODUCERS OF THIS ELEMENT, WHICH WILL BE INCREASINGLY MORE CRITICAL IN THE FUTURE, WOULD BE INCREASED".

9. ARGENTINA-BRAZIL COMPETITION. CASTRO MADERO VIEWS THE NUCLEAR RIVALRY, NOT IN TERMS OF ATOMIC BOMBS, BUT IN TERMS OF A COMPETITION BETWEEN ENRICHED AND NATURAL URANIUM SYSTEMS FOR THE MARKETS OF THE OTHER LATIN AMERICAN COUNTRIES, AND, ULTIMATELY, BEYOND.

10. NPT. CASTRO MADERO ADMITS THAT ARGENTINA'S NUCLEAR PROGRAM IS VIEWED WITH SOME "DISTRUST" FROM ABROAD. HE DOES NOT RPT NOT DIRECTLY DISCUSS NPT ADHERENCE POSSIBILITIES, NOR THE PROS AND CONS OF PNE'S, BUT URGES FURTHER ARGENTINE SELF-SUFFICIENCY IN A GENERAL WAY.

11. COMMENT: TO BEST OUR KNOWLEDGE, THIS ARTICLE CONTAINS (A) FIRST PUBLIC STATEMENT BY CNEA PRESIDENT THAT URANIUM EXPORT IS A VIABLE POSSIBILITY; (B) FIRST PUBLIC STATEMENT AT THIS LEVEL THAT REPROCESSING WORK IS BEING RESUMED; (C) FIRST RECENT EXPRESSION OF POTENTIAL ARGENTINE INTEREST IN URANIUM ENRICHMENT PLANT; LIMITED OFFICIAL USE

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(D) FIRST EXPRESSION OF INTEREST BY RESPONSIBLE LATIN NUCLEAR LEADER IN A MULTINATIONAL FUEL CYCLE PLANT OF ANY KIND. RE THE HEAVY WATER PLANT ECONOMICS, NO MENTION IS MADE OF THE OPERATING COST (INCLUDING FUEL) FOR THE PLANTS, WHICH WOULD BE CRUCIAL TO A COMPLETE ECONOMIC FEASIBILITY ANALYSIS. SIGNIFICANTLY, THE MULTINATIONAL PLANT TRIAL BALLOON IS FLOATED, NOT FOR A REPROCESSING PLANT (WHICH MIGHT WELL BE OF MORE INTEREST IN THE LONG RUN TO BRAZIL), BUT FOR AN ENRICHMENT PLANT, WHICH BRAZIL NO DOUBT REGARDS AS A MORE NEAR-TERM NATIONAL OBJECTIVE IN VIEW OF NECESSITY FOR FUELING ITS POWER REACTORS. WE ARE SKEPTICAL THAT THE IDEA WILL GET VERY FAR, BUT UNDER CURRENT HEAVY U.S. PRESSURE, BRAZILIANS JUST MIGHT BE WILLING TO SEE WHAT ARGENTINES HAVE IN MIND.
HILL

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